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Hotline:
American manufacturers poised for new growth in 1986

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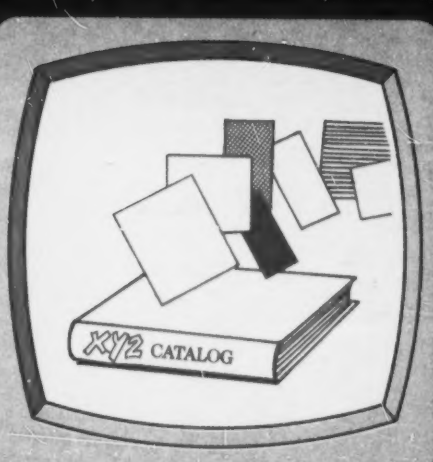

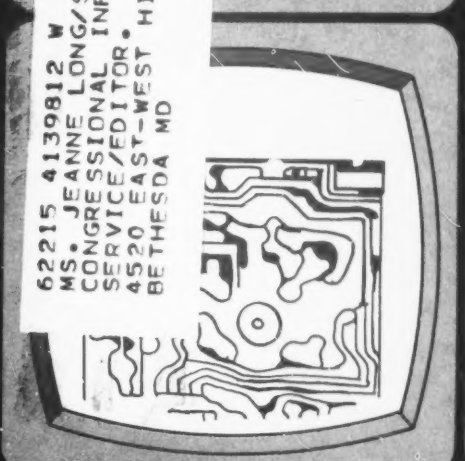

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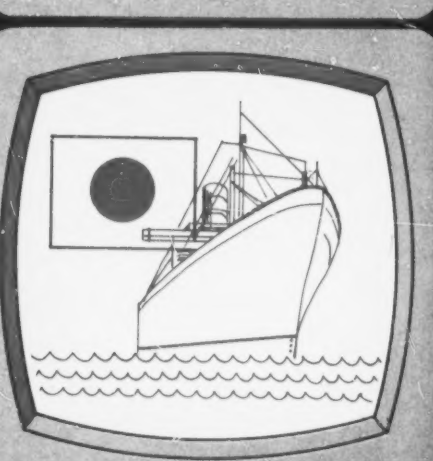
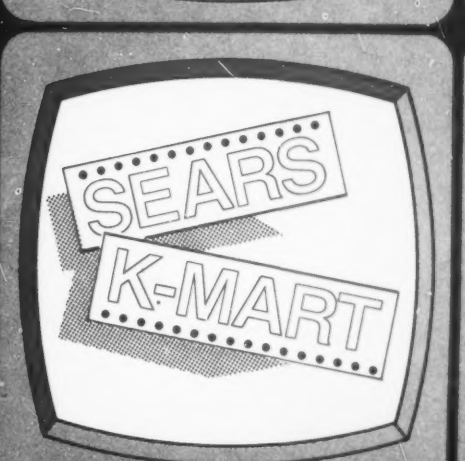
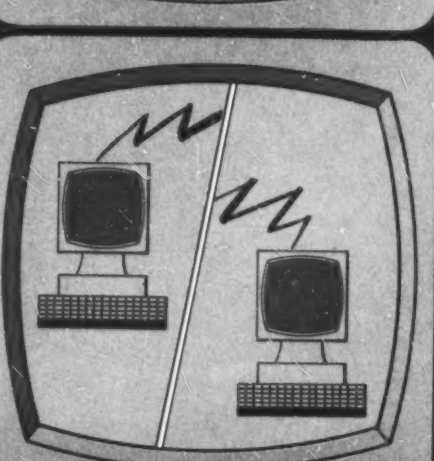
THE SUPPLIERS' VIEW







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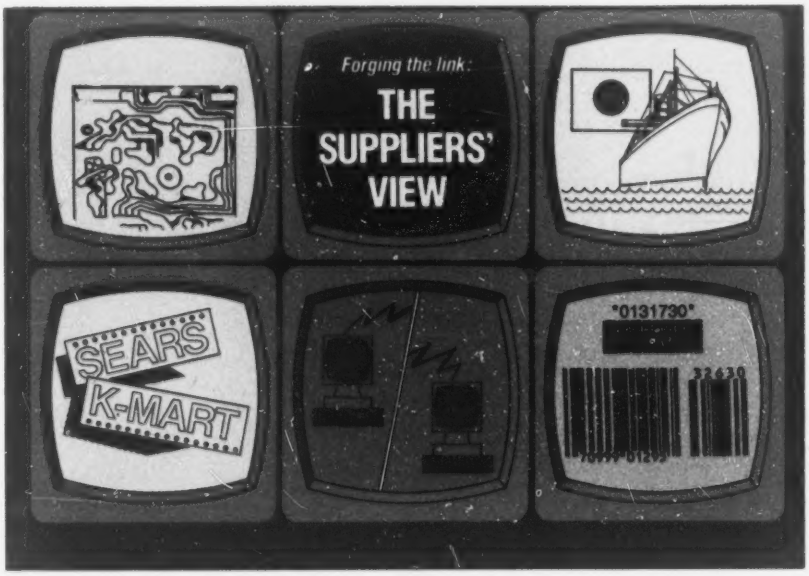

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Write in No. 18

NEWS...

Indicators...

The latest data from three key organizations shows one experiencing healthy growth in its latest reporting period while the other two moved listlessly. The NIDA/SIDA *Industrial Distribution Index* fell an insignificant 0.3 points in November to register 146.5 on a national basis. Regionally, there were no major changes. The East rose from 138.0 to 138.4. The Midwest dropped from 130.2 to 128.6. The West dropped from 177.9 to 176.6 and the South rose from 167.1 to 169.7. A November '85 comparison with November '84 nationally shows a decline of just 0.5...Echoing the strength of the South on the NIDA/SIDA Index, SIDA's *Monthly Sales Trend Report* shows all four regions making gains in October over September for an overall increase of 13.92. Area I (NC, WV, WV) led the Southern distributors by advancing 18.11 in October. Area II (FL, GA, SC, Puerto Rico) increased 15.02 and Area III (AL, KY, MS, TN) and Area IV (AR, LA, OK, TX) moved ahead by 10.70 and 9.79 respectively. Despite this latest demonstration of vigor, the SIDA figures for October are off by 1.33 from October '84 and year-to-date '85 is a paltry 0.24 ahead of YTD '84...ASMMA's *New Order Index* for October moved up a modest 0.1 points to 119.6 for a fractional gain of .08% over September. The latest figure, while a major improvement over the lackluster performance of the Index in 1982 and 1983, continues the vacillation which began when the index dropped as low as 113.2 in March '84 and went as high as 129.1 in August of that year...The American Machine Tool Distributors' Assn. *Total Index* of orders for October '85 fell by 8.8% from September's level to 74.7. The latest figure is also 5.5% below the 79.1 registered by the Index in October of 1984.

REGIONAL REPORT

Sales turn down in November

Negative sales reports continue to dominate statistics for the second half of 1985, after the first half indicated a progressive downtrend. However, the trend has been erratic with sales gains periodically breaking through.

For November, national sales were off 5% compared to November '84. West South Central had the sharpest drop, 21%, while the South Atlantic region was off only 2%, the best of the negative figures. In area reporting, Wisconsin dropped 7% compared to last year while Oregon-Washington reported the only gain, 4%.

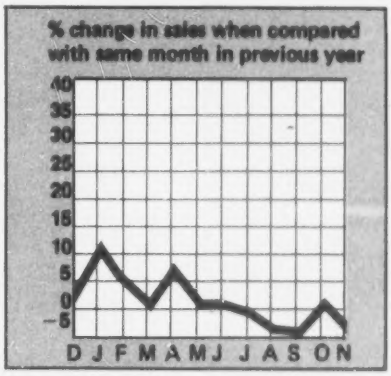
In month-to-month statistics, the results were as negative for November as they were positive for October. All of the regions and areas reporting were negative, most in double figures. The New England and East North Central areas were off the most, 18% and 15% respectively. The Pacific region reported the best figure in being off a still steep 7%. Among the areas, Oregon-Washington was down 15%, the worst of those reporting, with Georgia-Florida's negative 7% representing the best the areas could do. The U.S. total was down 13%.

The cumulative statistics, the first 11 months of '85 compared to '84, continue to cling to slightly positive figures, but with just December remaining to be reported, this too will probably prove negative for the year.□

RECEIVABLES*

	Nov '85 Gen.	Nov '85 Spec	vs. Nov '84 Gen.	Nov '84 Spec.
New England	52	48	48	48
Middle Atlantic	45	46	41	45
South Atlantic	37	37	37	37
East North Central	41	46	38	42
East South Central	—	—	—	—
West North Central	—	39	—	39
West South Central	—	43	—	44
Mountain	—	—	—	—
Pacific	36	42	38	41
National	42	43	40	42

* Average days outstanding



November sales off . . .

SALES BY REGIONS (% change)

	Nov.'85 vs. Oct.'85 Gen.	Spec.	Both	Nov.'85 vs. Nov.'84 Gen.	Spec.	Both	1st 11 months'85 vs. 1st 11 months'84 Gen.	Spec.	Both
NEW ENGLAND: CT, RI, MA, NH, VT, ME	−19	−18	−18	−7	−10	−9	0	+3	+1
Connecticut	—	—	—	—	—	—	—	—	—
Massachusetts	−12	—	—	−9	—	—	+2	—	—
MIDDLE ATLANTIC: NY, NJ, PA	−17	−13	−14	−19	−6	−8	+2	+2	+2
New York Metropolitan Area	—	—	—	—	—	—	—	—	—
Upstate New York	—	−10	—	—	−8	—	—	+2	—
Pennsylvania	—	−13	—	—	−5	—	—	0	—
SOUTH ATLANTIC: DE, DC, MD, FL, GA, NC, SC, VA, WV	−9	−15	−12	−2	−3	−2	−3	+1	−1
Georgia-Florida	+10	−19	−7	−1	−9	−5	−1	+2	+1
EAST NORTH-CENTRAL: OH, IN, IL, MI, WI	−18	−9	−15	−7	−1	−5	+1	+4	+2
Indiana	—	—	—	—	—	—	—	—	—
Wisconsin	−17	−7	−10	+3	−10	−7	+2	+4	+3
Chicago	—	—	—	—	—	—	—	—	—
Michigan	−20	—	—	−7	—	—	+2	—	—
Ohio	−19	—	—	−6	—	—	+11	—	—
EAST SOUTH CENTRAL: AL, MS, KY, TN	—	—	—	—	—	—	—	—	—
WEST NORTH CENTRAL: MN, ND, SD, IA, NE, KS, MO	−14	−11	−12	−13	−1	−5	−8	−1	−3
WEST SOUTH CENTRAL: AK, LA, OK, TX	−8	−16	−13	−10	−27	−21	−14	−9	−11
Texas	—	−24	—	—	−22	—	—	−9	—
MOUNTAIN: NM, AZ, CO, UT, NV, WY, MT, ID	—	—	—	—	—	—	—	—	—
PACIFIC: CA, OR, WA	−6	−14	−7	−3	−4	−3	+9	−6	+5
L.A.-San Diego	—	—	—	—	—	—	—	—	—
Oregon-Washington	−13	−17	−15	+2	+6	+4	+18	−4	+6
U.S. TOTALS	−12	−14	−13	−5	−6	−5	+1	+1	+1